

## PART 674—FEDERAL PERKINS LOAN PROGRAM

NOTE: An asterisk (\*) indicates provisions that are common to parts 674, 675, and 676. The use of asterisks will assure participating institutions that a provision of one regulation is identical to the corresponding provisions in the other two.

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APPENDIX E TO PART 674—EXAMPLES FOR COMPUTING MAXIMUM PENALTY CHARGES (6 MONTHS UNPAID OVERDUE PAYMENTS) ON DIRECT LOANS MADE FOR PERIODS OF ENROLLMENT BEFORE JANUARY 1, 1986

AUTHORITY: 20 U.S.C. 1087aa–1087hh and 20 U.S.C. 421–429 unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 674 appear at 65 FR 18002, 18003, Apr. 6, 2000.

### Subpart A—General Provisions

SOURCE: 52 FR 45747, Dec. 1, 1987, unless otherwise noted.

#### § 674.1 Purpose and identification of common provisions.

(a) The Federal Perkins Loan Program provides low-interest loans to financially needy students attending institutions of higher education to help them pay their educational costs.

(b)(1) The Federal Perkins Loan Program, authorized by title IV-E of the Higher Education Act of 1965, as amended, and previously named the National Direct Student Loan (NDSL) Program, is a continuation of the National Defense Loan Program authorized by title II of the National Defense

Education Act of 1958. All rights, privileges, duties, functions, and obligations existing under title II before the enactment of title IV-E continue to exist.

(2) The Secretary considers any student loan fund established under title IV-E to include the assets of an institution's student loan fund established under title II.

\*(c) Provisions in these regulations that are common to all campus-based programs are identified with an asterisk.

(d) Provisions in these regulations that refer to "loans" or "student loans" apply to all loans made under title IV-E of the HEA or title II of the National Defense Education Act.

(Authority: 20 U.S.C. 1087aa-1087hh; Pub. L. 92-318, sec. 137(d)(1))

[52 FR 45747, Dec. 1, 1987, as amended at 57 FR 32344, July 21, 1992; 59 FR 61415, Nov. 29, 1994; 64 FR 18002, Apr. 6, 2000]

#### § 674.2 Definitions.

(a) The definitions of the following terms used in this part are set forth in subpart A of the Student Assistance General Provisions, 34 CFR part 668:

Academic year  
Award year  
Defense loan  
Enrolled  
Expected family contribution (EFC)  
Federal Family Education Loan (FFEL) programs  
Federal Pell Grant  
Federal Perkins loan  
Federal Perkins Loan Program  
Federal PLUS Program  
Federal SLS Program  
Federal Supplemental Educational Opportunity Grant (FSEOG) Program  
Federal Work-Study (FWS) Program  
Full-time student  
HEA  
National Defense Student Loan Program  
National Direct Student Loan (NDSL) Program  
Payment period  
Secretary

(b) The Secretary defines other terms used in this part as follows:

*Default:* The failure of a borrower to make an installment payment when due or to comply with other terms of the promissory note or written repayment agreement.

*Enter repayment:* The day following the expiration of the initial grace pe-

riod or the day the borrower waives the initial grace period. This date does not change if a forbearance, deferment, or cancellation is granted after the borrower enters repayment.

*Federal capital contribution (FCC):* Federal funds allocated or reallocated to an institution for deposit into the institution's Fund under section 462 of the HEA.

*\*Financial need:* The difference between a student's cost of attendance and his or her EFC.

*Fund (Federal Perkins Loan Fund):* A fund established and maintained according to § 674.8.

*Graduate or professional student:* A student who—

(1) Is enrolled in a program or course above the baccalaureate level at an institution of higher education or is enrolled in a program leading to a first professional degree;

(2) Has completed the equivalent of at least three years of full-time study at an institution of higher education, either prior to entrance into the program or as part of the program itself; and

(3) Is not receiving title IV aid as an undergraduate student for the same period of enrollment.

*Half-time graduate or professional student:* An enrolled graduate or professional student who is carrying a half-time academic workload as determined by the institution according to its own standards and practices.

*Half-time undergraduate student:* An enrolled undergraduate student who is carrying a half-time academic workload, as determined by the institution, which amounts to at least half the workload of a full-time student. However, the institution's half-time standards must equal or exceed the equivalent of one or more of the following minimum requirements:

(1) 6 semester hours or 6 quarter hours per academic term for an institution using a standard semester, trimester, or quarter system.

(2) 12 semester hours or 18 quarter hours per academic year for an institution using credit hours to measure progress, but not using a standard semester, trimester, or quarter system; or the prorated equivalent for a program of less than one year.